



Toni Preckwinkle
President
Cook County Board of Commissioners

COOK COUNTY

2013 Community Development Block Grant (CDBG) Program Funding Application Guide

*Guide for successful preparation and submittal of the
2013 CDBG Funding Application*

This guide details CDBG funding requirements including related documentation and processes. Modifications specific to the 2013 funding application cycle are also highlighted.

Toni Preckwinkle, President
Cook County Board of Commissioners

Department of Planning and Development
69 West Washington, Suite 2900
Chicago, Illinois 60602

María Choca Urban, Director

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2013 FUNDING CYCLE UPDATES

Please note the following updates and important information for the 2013 CDBG Program Funding Application Cycle:

- The CDBG application has been split into two different applications: one for Capital Improvement / Economic Development projects, and one for Public Service / Planning projects.
- Funding request cap for Capital Improvement projects has been increased from \$300,000 to \$400,000. Non-profit agencies applying for capital improvement projects are capped at \$200,000.
- Limit of two funding applications per agency
- Emphasis on interjurisdictional regional collaboration and project implementation within the context of a broader strategic plan
- Exclusion of fringe benefits from eligible project costs relating to staff salaries



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CDBG PROGRAM HISTORY AND OVERVIEW

The Community Development Block Grant (CDBG) Program is authorized under Title 1 of the Housing and Community Development Act (HCDA) of 1974, as amended. CDBG grew out of the consolidation of several categorical programs under which communities competed nationally for funds.

The primary objective of Title I of the HCDA, as amended, is the development of viable urban communities. These viable communities are achieved by providing the following, principally for persons of low- and moderate-income:

- ❖ Decent housing;
- ❖ A suitable living environment; and
- ❖ Expanded economic opportunities

At least seventy-percent (70%) of CDBG funds must be utilized to support activities that benefit low- and moderate-income persons.

To achieve these goals, the CDBG regulations set forth eligible activities and the national objectives that each activity must meet. As a recipient of CDBG funds, Cook County and its funding recipients are charged with ensuring that these requirements are met.

The regulations implementing the CDBG Program are found at 24 CFR Part 570.



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ELIGIBLE AREAS

Cook County currently receives CDBG funds as an annual entitlement allocation on the basis of its qualification as an urban county. Cook County CDBG funds may only be utilized within the limits of the current effective Cook County Urban County area. See the Appendix for a map of the current CDBG eligible areas.

Please note – additional rules apply. See the National Objectives section on page 14 of the Appendix for additional information.



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ELIGIBLE ACTIVITIES

A broad range of programs and activities are eligible for funding under one of three categories as listed below.

Capital Improvement Projects:

- ❖ **Infrastructure:** Improvements including but not limited to construction or installation of streets, curbs, and water/sewer lines.
- ❖ **Public Facilities:** Improvements including but not limited to recreational facilities, parks, playgrounds, and facilities for persons with special needs. Examples of eligible costs include energy efficiency improvements, and disabled accessibility improvements.
- ❖ **Demolition:** Activities limited to demolition of vacant buildings including necessary removal of demolition debris.

**** Note:** CDBG funding requests for demolition projects with costs that equal or exceed \$20,000 per parcel must be submitted via the annual funding application associated with this funding application guide. In addition to the main application, the final section of the 2013 funding application must also be completed for demolition activities.

Conversely, CDBG funding requests for demolition projects with costs that are under \$20,000 per parcel are accepted on a rolling basis throughout the year, subject to eligibility and funding availability. These funding requests may be submitted via the form located in the final section of the 2013 funding application referenced above.

In either case, the proposed demolition must qualify on the basis of CDBG slum blight area basis or spot basis, or under the urgent need criteria (see page 16).

**** Note:** Please refer to the CDBG Demolition Program Manual for application processing and project eligibility details.

Economic Development Projects: (part of the Capital Improvement application)

- ❖ **Special Economic Development:** CDBG funds may be used to undertake the following economic development activities, subject to the required public benefits standards being met regarding job creation/retention, or the provision of goods/services:



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- Acquiring, constructing, reconstructing, rehabilitating, or installing commercial or industrial buildings, structures, and other eligible real property improvements. Please note that these capital-oriented special economic development activities will be restricted to projects undertaken and controlled by public or nonprofit entities.
- Providing economic development services in connection with otherwise eligible CDBG economic development activities. Please note that these special economic development service activities will be restricted to such services provided by nonprofit entities.

**** Note:** CDBG funds under this category must result in a minimum level of public benefit in accordance with HUD standards. On an aggregate basis, the activity must either create or retain at least one full-time equivalent permanent job per \$35,000 of CDBG funds used, or provide goods and services to an area where the number of low- and moderate-income (LMI) persons served by the assisted business amounts to at least one LMI person per \$350 of CDBG funds utilized. Additional requirements apply, so prospective funding applicants under this category are strongly encouraged to consult the Resources included in the Appendix for additional information.

- ❖ **Capacity Building Assistance:** This activity is targeted to increasing the capacity of entities to carry out eligible neighborhood revitalization or economic development activities. In order to use CDBG funds for this activity, prior to providing such assistance, it must be determined that the activity for which capacity is to be built is eligible and that there is a reasonable expectation that a national objective can be met once the entity has received the technical assistance and undertakes the activity. Please note that this activity will be restricted to such services provided by nonprofit entities.
- ❖ **Microenterprise Development:** These are activities designed to foster the development, support, and expansion of microenterprise businesses which are commercial enterprises with five or fewer employees, one of whom owns the enterprise. CDBG support under this category will be limited to nonprofit entities providing eligible microenterprise activities.
 - Eligible activities include the provision of:
 - Financial support for the establishment, stabilization and expansion of microenterprises;



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- Technical assistance, advice, and business services to owners of microenterprises and persons developing microenterprises;
- General support to owners of microenterprises and persons developing microenterprises, including child care, transportation, counseling and peer support groups.

**** Note:** This is not a comprehensive summary of all CDBG eligible activities. Applicants should consult the Resources included in the Appendix for additional information. Additionally, applicants are strongly encouraged to contact the Department to determine project eligibility and sources of documentation **prior** to submission of an application. Department contacts may be found in the Appendix.

Planning & Public Service Projects:

- ❖ **Plans and Studies:** Activities including but not limited to comprehensive community or economic development plans and project feasibility studies.

**** Note:** CDBG funds under this category are limited due to a regulatory cap on planning and administration. Specifically, Cook County may only utilize 20 percent of its annual entitlement allocation for these purposes including internal administrative operations.

- ❖ **Public Services:** : Activities including but not limited to employment services (e.g., job training), substance abuse services (e.g., counseling and treatment), fair housing counseling, services for senior citizens, services for homeless persons, etc. CDBG funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located (e.g., lease costs).

**** Note:** CDBG funds under this category are limited due to a regulatory cap on public services. Specifically, Cook County may only utilize 15 percent of its annual entitlement allocation for this purpose. In addition, public service eligibility is contingent upon the proposed project providing either a new service, or a quantifiable increase in the level of an existing service from those services offered in the preceding 12 months.



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MINIMUM AND MAXIMUM THRESHOLD REQUIREMENTS

Proposed projects must conform to the minimum and maximum thresholds indicated below in order to be eligible for funding:

Capital Improvement Projects:

- Area Benefits Threshold Exception: 49.2% for infrastructure projects.
- Area Benefits Threshold: 51% for water, sewer, or flood control project types.
- Number of Projects: 2 maximum
- Funding Request Cap (Municipal): \$400,000
- Funding Request Cap (Non-Profit): \$200,000

Planning and Public Service Projects:

- Project Beneficiaries: Presumed Benefit or Low/Moderate Income greater than 51%
- Number of Projects: 2 maximum
- Funding Request Cap: \$100,000

**** Note:** Each applicant can submit a maximum of two (2) applications across all activity categories.

**** Note:** Based on the nature and anticipated impacts of the proposed project, economic development projects may not be subject to the funding request maximums noted above at the discretion of Cook County. Prospective applicants interested in submitting economic development proposals are strongly encouraged to contact Cook County for guidance regarding project eligibility **prior** to submission.



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APPLICABLE ADMINISTRATIVE REQUIREMENTS

In addition to the overall CDBG eligibility requirements specified throughout this guide, additional administrative requirements exist. Depending upon project type, requirements pertaining to the following items may apply:

- ❖ **Procurement:** CDBG funding recipients must follow applicable procurement rules when purchasing services, supplies, materials, or equipment. Contractors must be competitively procured.
- ❖ **Environmental Review:** This review analyzes the effect a proposed project will have upon the people and natural environment within a designated project area and the effect the material and social environment may have on a project.
- ❖ **Labor Standards:** Construction work that is partially or fully financed with CDBG funds must adhere to certain federal labor standards requirements including Davis Bacon and Section 3.
- ❖ **Lead-Based Paint:** When federal funds including CDBG are used to assist housing built before 1978, steps must be taken to address lead hazards.
- ❖ **Relocation /Acquisition:** When federal funds including CDBG are used in a project involving the acquisition, rehabilitation, or demolition of real property, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) generally applies. Projects requiring displacement will be subject to additional Cook County assessment of applicant capacity and relocation planning.
- ❖ **Fair Housing, Accessibility, and Equal Employment:** To be in compliance, CDBG funding recipients must adhere to all the basic tenets of fair housing, accessibility, and equal opportunity regulations and demonstrate fairness in the provision of CDBG funded programs and projects. These requirements are intended to protect individuals from discrimination in housing or in employment, through business opportunities such as contracting.

**** Note:** This is not a comprehensive summary of all CDBG administrative requirements. Applicants should consult the Resources included in the Appendix for additional information. Additionally, applicants are strongly encouraged to contact the Department to determine applicable administrative requirements **prior** to submission of an application. Department contacts may be found in the Appendix.



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APPLICATION PREPARATION AND SUBMITTAL GUIDANCE

Prospective funding applicants are strongly encouraged to attend the Application Training Workshop as indicated in the Funding Cycle Timeline on page 13. This workshop will cover general CDBG funding eligibility requirements, funding application format and content, and submittal protocols.

In addition, prospective applicants should consult the Resources included in the Appendix for additional information. If questions arise, applicants are strongly encouraged to contact the Department to determine eligibility and applicable requirements **prior** to submission of an application. Department contacts may be found in the Appendix.

Submittal

Each applicant must submit one loose original and one additional copy of the application.

Applications may be submitted via in person delivery to the reception desk or via mail with signature required (e.g., Federal Express, UPS, USPS Delivery Confirmation) to the attention of:

Cook County Department of Planning and Development
ATTN: Sonia Brown, Administrative Assistant
69 West Washington
Suite 2900
Chicago, IL 60602

Applicants with questions regarding appropriate submittal should contact the Department **prior** to submission. Contacts may be found in the Appendix.



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APPLICATION EVALUATION CRITERIA OVERVIEW

Applications are reviewed by Cook County staff to determine completeness, eligibility and consistency with Cook County's 2010-2014 Consolidated Plan. Given increasingly limited funds and increasing demands, a maximum of only two (2) applications for CDBG funds, per municipality/agency will be accepted for the 2013 Program Year. Applicants are strongly encouraged to assess their most pressing needs and submit applications accordingly. A municipality and/or agency may submit two (2) applications under the Planning and Public Services category or two (2) under the Capital Improvements / Economic Development category. The maximum number of applications to be submitted per municipality/agency is two (2) across all application categories.

Grants are reviewed and recommended by means of a competitive application evaluation process, in accordance with project specific criteria.

While a well-written application is no guarantee of funding, you should make every effort to make the application **complete and concise**. In addition to completeness and eligibility, the categories below will be used to evaluate applications:

All Projects:

Mandatory Rating Criteria Requirements

- Complete Application
- Project Eligibility
- Consistency with Cook County's 2010-2014 Consolidated Plan

Standard Rating Criteria Requirements

- Capacity/Regional Collaboration
- Innovative Nature of Proposal
- Proposed Economic Development Activities/Impacts
- Expenditure Capacity (*returning applicants only*)
- Performance Reporting (*returning applicants only*)
- Service History (*new applicants only*)

Bonus Points:

- Economic Development
- Infrastructure Improvements
- Long Range Planning & Site Sustainability



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Capital Improvement Projects:

Standard Rating Criteria Requirements

- Adequacy of Proposed Program Design
- Maintenance of Effort and Project Sustainability (Form D)

Planning and Public Service Projects:

Standard Rating Criteria Requirements

- Reasonableness of Proposed Costs
- Leveraging Resources



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FUNDING CYCLE TIMELINE AND APPLICATION WORKSHOPS

January 31, 2013	Application Training Workshop
March 8, 2013 (Due by 4pm)	Applications are due at 69 West Washington - Suite 2900 - Chicago, IL 60602
March 11 - May 3, 2013	Application review period by Cook County Staff
May 2013 (Date TBD)	CDAC Public Hearing Approval of recommended 2012 projects
June 19, 2013	Anticipated Cook County Board Hearing to approve projects

Application Workshops

Application workshops will be held on Thursday, January 31, 2013, as noted below:

- The CDBG Capital Improvement / Economic Development application workshop is scheduled from 9:00am-12:00pm.
- The CDBG Public Service / Planning workshop is scheduled from 1:00pm-4:00pm.

Both application workshops will be held in the Lower Level Conference Room of the Cook County Administration Building, 69 W. Washington, Chicago, IL 60602.

Please RSVP for the workshops by contacting Sonia Brown at (312) 603-1052 or at sonia.brown@cookcountyil.gov. If you RSVP via email, please be sure to indicate which workshop you plan to attend and who will be attending from your organization.



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APPENDIX

NATIONAL OBJECTIVES

CDBG requires that each activity funded, except for program administration and planning activities, must meet one of the three national objectives outlined below. An activity that does not meet a national objective is not compliant with CDBG requirements and is therefore ineligible for funding. Prospective funding recipients are strongly encouraged to consult the Resources highlighted in the Appendix for more detailed guidance:

1. PRIMARY OBJECTIVE - BENEFIT TO LOW- AND MODERATE-INCOME PERSONS

This objective is known as the “primary” national objective because CDBG regulations require that funding recipients expend 70 percent of their CDBG funds to assist low- and moderate-income persons.

There are four methodologies that can be utilized to meet this national objective as listed below:

a. Low-Mod Area Benefit Activities

These activities must benefit all residents in a particular service area, where at least 49.2% (for capital improvement projects) or 51% (for water, sewer and flood control projects) of persons in the service area are low- and moderate-income, per U.S. Census Data.

The service area is determined based upon the nature of the activity, location of the activity, accessibility issues, availability of comparable activities, and boundaries for public facilities and public services. Service area must be determined prior to provision of CDBG assistance.

Examples of eligible activities include infrastructure, public facilities, and economic development.

**** Note** – Since less than one quarter of the populated block groups in Cook County’s Urban County CDBG jurisdiction contain 51 percent or more low- and moderate-income persons, it qualifies under HUD exception criteria. Under this exception, Cook County is permitted to use a lesser percentage to qualify certain activities under area benefit. Specifically, Cook County has determined that, based on Census figures, the top one-quarter of all census block groups which would be eligible to undertake area benefit activities to principally benefit low and moderate-income persons must have at least 49.2 percent low- and moderate-income persons. With the exception of water, sewer, and flood control projects which must still serve areas that are 51% or more low- and



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moderate-income, other infrastructure projects (i.e. road/street improvements) qualify at the 49.2 percent threshold.

b. Low-Mod Limited Clientele Activities

At least 51 percent of the beneficiaries of the proposed activity must be low- and moderate-income. In contrast to the low-mod area benefit activity category, it is not the low- and moderate-income concentration of the service activity that determines eligibility, but rather the actual number of low- and moderate-income persons that will benefit from the activity.

In order to qualify under this category, an activity must satisfy **one** of the following criteria:

- Benefit a clientele that is generally presumed to be principally low- and moderate-income including abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers **or**
- Document household size and income which demonstrates that at least 51 percent of the clientele are low- and moderate-income **or**
- Restrict income eligibility for the activity to low- and moderate-income persons **or**
- Be of such a nature and in such a location that it can be concluded that clients are primarily low- and moderate-income

Examples of eligible activities include public services and economic development.

c. Low-Mod Housing Activities

These activities must be undertaken with the purpose of providing or improving permanent residential structures which, upon completion, at least 51 percent of the units will be occupied by low- and moderate-income persons.

Examples of eligible activities include limited housing rehabilitation.

d. Low-Mod Job Creation or Retention Activities

These activities must be undertaken with the purpose of creating or retaining permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by low- and moderate-income persons.



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Examples of eligible activities include public services and economic development.

**** Note:** Several additional requirements apply to qualification under job creation or retention – prospective applicants should consult the Resources in the Appendix for additional information.

2. SECONDARY OBJECTIVE - AID IN THE PREVENTION OF ELIMINATION OF SLUMS OR BLIGHT

One of three methodologies can be utilized to meet this national objective as listed below:

a. Prevent or Eliminate Slums and Blight on an Area Basis

The designated area in which the activity will occur must meet the definition of a slum, blighted, deteriorated, or deteriorating area under state or local law. In addition, the area must meet one of the two conditions noted below:

- Public improvements throughout the area must be in a general state of deterioration **or**
- At least 25 percent of the properties throughout the area must exhibit one or more of the following issues: physical deterioration of buildings/improvements, abandonment of properties, chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings, significant declines in property values or abnormally low property values relative to other areas in the community, or known or suspected environmental contamination.

Examples of eligible activities include demolition.

b. Prevent or Eliminate Slums and Blight on a Spot Basis

In this category, the designated area is not a slum or blighted but these conditions exist on a spot basis.

Examples of eligible activities include demolition.

c. Be in an Urban Renewal Area

Activities must be located within an Urban Renewal project area or Neighborhood Development Program action area that is necessary to complete an Urban Renewal Plan.

This category is rarely used as few communities have open Urban Renewal Plans.



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3. OBJECTIVE - MEET A NEED HAVING A PARTICULAR URGENCY ("URGENT NEED") (DEMOLITION ONLY)

Use of this category is rare. It is designed for activities that alleviate emergency conditions. Proposed activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
- The applicant is unable to finance the activity on its own; and
- Other sources of funding are **not** available.

Examples of eligible activities include demolition.



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PROHIBITED ACTIVITIES

The following activities may not be assisted with CDBG funds:

- ❖ Buildings or portions thereof, used for the general conduct of government as defined at Sec. 570.3(d) cannot be assisted with CDBG funds. This does not include, however, the removal of architectural barriers under Sec. 570.201(c) involving any such building.
- ❖ General government expenses.
- ❖ Political activities. CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

The following activities generally may not be assisted with CDBG funds:

- ❖ Purchase of equipment.
- ❖ Operating and maintenance expenses. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities.
- ❖ New housing construction.
- ❖ Income payments.

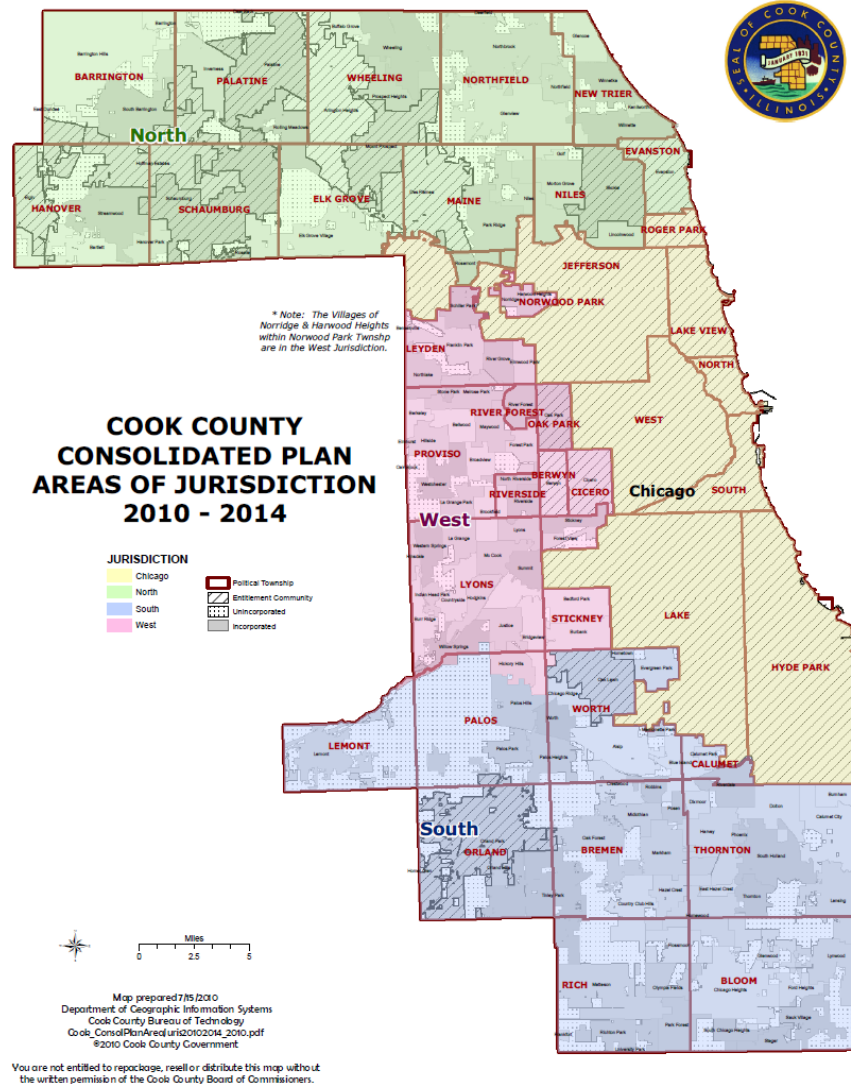
Note: This is not a comprehensive summary of all CDBG ineligible activities. Applicants should consult the Resources included in the Appendix for additional information. While certain activities may be eligible under the HUD rules, Cook County reserves the right to further restrict project eligibility as deemed appropriate. As such, applicants are strongly encouraged to contact the Department to determine project eligibility and sources of documentation prior to submission of an application. Department contacts may be found in the Appendix.



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ELIGIBLE AREAS MAP

Proposed funding applications must reference a project location or area that is consistent with the CDBG jurisdiction specified in the map below, drawn from the 2010-2014 Consolidated Plan.





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RESOURCES

Prospective funding recipients are strongly encouraged to consult the resources indicated below for additional information regarding program and project requirements.

CDBG Program Overview:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/community_development/programs/entitlement

CDBG Regulations

http://www.access.gpo.gov/nara/cfr/waisidx_09/24cfr570_09.html

CDBG Program – Guide to National Objectives and Eligible Activities for Entitlement Programs:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/community_development/library/deskguid

Playing By the Rules – A Handbook for CDBG Subrecipients on Administrative Systems:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_17104.pdf

Eligible Census Tract and Block Group Data

<http://www.hud.gov/offices/cpd/systems/census/il/index.cfm>

Eligible Census Tract and Block Group Map

<http://factfinder2.census.gov>



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KEY CONTACTS

Applicants are encouraged to contact staff with questions regarding funding eligibility, application preparation, and/or application submittal. Inquiries should be directed as noted below:

Capital Improvement Projects

Sylvia Parham, Grants Manager

Phone: (312) 603-1030

Email: sylvia.parham@cookcountyil.gov

Public Service Projects

Ericka Robinson, Administrative Analyst

Phone: (312) 603-1057

Email: ericka.robinson@cookcountyil.gov

Economic Development and Planning Projects

Dominic Tocci, Deputy Director

Phone: (312) 603-1048

Email: dominic.tocci@cookcountyil.gov